

Jeff Wuensch

From: Jeff Wuensch [jeff@nexustax.com]
Sent: Wednesday, March 05, 2008 1:10 AM
To: 'cmusgrave@dlgf.in.gov'
Cc: 'Rushenberg, Tim'; 'Frank Kelly'; 'Shaw Friedman'; 'Marilyn Meighen'
Subject: DLGF Analysis

Cheryl:

To date we have identified several errors in the DLGF's analysis of LaPorte County's 2006 Assessments through the agency's own ratio study. A couple of these problems have been identified in previous e-mails, but I wanted to provide a summary for you. Here is what we know after approximately 5 hours of cursory review of the DLGF's ratio study:

1. The basis for the DLGF's study was the preliminary ratio study submitted for LaPorte County in December 2006. The DLGF requested the addition of more sales in this study. In February 2007, a revised ratio study was submitted for LaPorte County, which was subsequently approved in March 2007. We ask that this final study be the basis for your agency's analysis, as we have included several sales, at your agency's request, that your study does not include.
2. The DLGF analysis of improved residential property in Michigan Twp. fails to match the parcel numbers with the correct assessment data and sales prices. Frank Kelly has corrected these errors and used your same methodology of analysis. These corrected parcels now result in compliant statistics.
3. The DLGF analysis of vacant residential property in Clinton Twp. contains 1 record that does not match with the county's billing system. In fact, it appears to be a duplicate parcel with 2 different billing assessed values, which we do not believe is possible. Removing this one entry results in compliant statistics.
4. The DLGF summary statistics for vacant residential parcels in Wills Twp. do not match the actual calculated statistics in your worksheet. The worksheet illustrates that the calculated statistics are compliant.
5. The DLGF analysis of improved commercial in Center Twp. contains 1 invalid sale and omits several parcels used in the final LaPorte County Ratio Study. Once these corrections are made, the statistics appear compliant.
6. The DLGF analysis of improved commercial property in New Durham Twp. has only 4 sales. The combined statistics for this class should be used and/or the Spearman Test.
7. The DLGF analysis of improved industrial has at least one formula error resulting in incorrect statistics. Once this formula is corrected, the statistics appear compliant.

Finally, given the significant number of errors that we have discovered in our cursory review of the DLGF's analysis, we respectfully request an extended period to review this analysis, along with all other tables and studies. It is highly likely, that further errors will be discovered, resulting in even more townships and property classes being deemed compliant by Indiana law. Further, I would encourage the DLGF to make these corrections before further distribution or public comment, as these objective errors warrant immediate adjustment. An employee of Nexus Group would be happy to visit each of these errors individually to ensure the objective review of LaPorte County's 2006 assessments.

Thanks.

Jeff Wuensch

3/5/2008

Laporte County 2006 Ratio Study: Corrected
Using Tax Bill Assessed Value

	Improved Residential Median	COD	PRD	Comments & Study Corrections
1 Cass	0.9722	9.8397	1.0795	**** All improved residential classes meet state standards**** DLGF "mismatch" of parcel, AV, sale price corrected.
2 Center	1.0010	10.2166	1.0114	
3 Clinton	0.9935	7.9405	0.9958	
4 Coolspring	1.0094	10.6200	1.0237	
5 Dewey	1.0110	11.8273	1.0059	
6 Galena	1.0125	12.5645	1.0306	
7 Hanna	1.0155	12.7246	1.0119	
8 Hudson	1.0055	12.0023	1.0043	
9 Johnson				
10 Kankakee	1.0073	9.3369	1.0027	
11 Lincoln	0.9777	8.2659	1.0116	
12 Michigan	1.0047	11.4789	0.9966	
13 New Durham	1.0733	12.6307	1.0180	
14 Noble	1.0000	8.8077	1.0098	
15 Pleasant	1.0019	8.8647	1.0058	
16 Prairie				
17 Scipio	0.9904	6.7709	1.0057	
18 Springfield	1.0087	10.1636	1.0074	
19 Union	1.0022	15.8417	1.0107	
20 Washington	0.9914	7.7004	0.9987	
21 Wills	1.0101	5.3481	1.0138	

	Vacant Residential Median	COD	PRD	Comments & Study Corrections
1 Cass	0.9237	13.7640	1.0303	Incorrect billing data used on parcel with 2 separate tax bills corrected
2 Center	0.9784	9.7357	1.0132	
3 Clinton	0.9650	16.6600	1.0190	

4 Coolspring	0.9033	10.1702	1.0168
5 Dewey	0.9702	9.3065	0.9361
6 Galena	0.9268	10.3182	
7 Hanna	0.9719	9.4216	
8 Hudson	0.9367		
9 Johnson			
10 Kankakee	1.0316	10.2769	
11 Lincoln	1.1109	10.0000	1.0267
12 Michigan	0.9662	9.5918	0.9932
13 New Durham	0.9052	9.1570	1.0048
14 Noble	0.9321	10.0617	
15 Pleasant	1.0600	9.1260	0.9356
16 Prairie	0.9701	9.1239	1.0000
17 Scipio	0.9336	10.3205	
18 Springfield			
19 Union	0.9400	10.1267	0.9805
20 Washington			
21 Wills	0.9070	12.7060	1.0260

Investigating billing & AV differences
 PRD not valid with less than 10 sales; Use combined sales or Spearman Test.
 Investigating absence of 9 sales used in final LaPorte Study.

Investigating absence of 16 sales used in final LaPorte Study.

PRD not valid with less than 10 sales; Use combined sales or Spearman Test.

Investigating absence of 29 sales used in final LaPorte Study.

Applied calculated statistics in DLGF worksheet & corrected statistics.

Improved Commercial	COD	PRD	Comments & Study Corrections
Median			
1.0210	12.4150	1.0090	Removed 1 invalid sale & corrected statistics
0.9669	5.9239	1.0093	

- 1 Cass
- 2 Center
- 3 Clinton
- 4 Coolspring
- 5 Dewey
- 6 Galena
- 7 Hanna
- 8 Hudson
- 9 Johnson
- 10 Kankakee
- 11 Lincoln

12 Michigan	0.9954	13.9836	0.9870	Investigating absence of 6 sales used in final LaPorte Study.
13 New Durham	1.0000	10.6180	0.9870	Applied Combined Twp. results
14 Noble				
15 Pleasant	1.0922	9.4607	1.0109	
16 Prairie				
17 Scipio				
18 Springfield				
19 Union				
20 Washington				
21 Wills				
Combined Twp	1.0000	10.6180	0.9870	Added New Durham & Pleasant for sufficient sample; recalculated statistics

VACANT COMMERCIAL

	MEDIAN	COD	PRD
Combined Twp	0.9695		

Investigating absence of 6 sales used in final LaPorte Study.

Improved Industrial

	MEDIAN	COD	PRD
12 Michigan	0.1282	68.1337	2.1642

Josh needs correct formula and recalculate.